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Maintaining Access to Care: Critical Care Fund Initiative

Critical Issue

The health security of Iowans is dependent on access to the care they need. While Iowa's medical malpractice experience is better than the national average, unpredictable increases in medical malpractice costs can reduce Iowans access to doctors in certain high risk specialties. In order to maintain Iowans access to the doctors and care they need, it is important to help reduce the costs of malpractice insurance.

Initiative

To help reduce the costs of malpractice insurance, we will implement a mandatory Critical Care Fund (CCF), governed by a board of state officials and individuals representing the private sector. The Critical Care Fund will cover physicians (including osteopaths) and hospitals. If necessary and desirable, an expansion could be considered in the future. The CCF will make available both claims-made and occurrence coverage, with required underlying limits of \$1 million/\$3 million (per occurrence/aggregate).

The CCF will be funded by assessments on providers. Assessments in the aggregate should be sufficient to cover anticipated claims and expenses. The rates will be set by the board with approval by the Insurance Commissioner to ensure rates are reasonable and adequate. The CCF will be actuarially sound, requiring the maintenance of surplus adequate to fund some adverse level of claims.

Cost

We propose an initial \$1 million appropriation to capitalize the CCF. CCF funds will be segregated from other state funds to limit the possibility of the state using the accumulated assets for other purposes.

Results

Iowa's medical malpractice experience is better than the national average. As the U.S. Chamber of Commerce study on liability indicates, Iowa has fair and reasonable juries. A Critical Care Fund which pays only Iowa-based claims will be able to capture the better Iowa experience and lower malpractice rates for Iowa doctors. A Critical Care Fund will enhance the health security of Iowans by enabling doctors to stay in high risk specialties thereby maintaining Iowans' access to quality care.